

CARL J. BACHMANN, JR.
FRANK C. BATEMAN
J. KENNETH CAMPBELL
JAMES R. COGAN
ROBERT E. DERIGHT, JR.
PAUL M. FRANK
TIMOTHY R. GRAHAM
KLAUS H. JANDER
JOHN MACUGA, JR.
RICHARD T. McDERMOTT
RICHARD J. MILLER
EDWARD A. MORGAN
DANIEL J. O'NEILL
DAVID S. PENNOCK
MALCOLM R. SCHADE
DONALD VAIL
CRAIG M. WALKER

Alexander & Green
299 Park Avenue
New York, N.Y. 10171

DONALD M. DUNN
CHRISTIAN H. GENGHOF
EDWARD E. RIGNEY
VINCENT DOWNING
COUNSEL

KLAUS W. GEIPEL
SPECIAL COUNSEL

TELEPHONE: (212) 758-6900
FACSIMILE: (212) 644-0025
TELEX: 620542 ALXNYK
125690 ALEX G NYK

RECORDATION 170..... Filed 1425
MAR 28 1986 -9 55 AM
INTERSTATE COMMERCE COMMISSION

March 27, 1986
Washington, D. C.

RECORDATION 170..... Filed 1425
14928

VIA FEDERAL EXPRESS

MAR 28 1986 -9 55 AM

Interstate Commerce Commission
12th Street and Constitution Avenue, N.W. INTERSTATE COMMERCE COMMISSION
Room 2303
Washington, D.C. 20423
Attention: Ms. Mildred Lee

Dear Ms. Lee:

In accordance with our telephone conversation of today I enclose an executed original and a notarized copy of a Security Agreement dated March 26, 1986 between American Hoechst Corporation and Huntsman Chemical Corporation, pursuant to which Huntsman Chemical Corporation has granted to American Hoechst Corporation a security interest in the rail cars listed on Exhibit B to the Security Agreement. These rail cars are owned by Huntsman Chemical Corporation and used by Huntsman in connection with its business. We request that you record the lien of American Hoechst Corporation with respect to such rail cars in the appropriate records of the Interstate Commerce Commission.

The names and principal addresses of the parties to the enclosed Security Agreement are as follows:

Secured Party: American Hoechst Corporation
Route 202-206 North
Somerville, New Jersey 08876

Debtor: Huntsman Chemical Corporation
Suite 560/86
50 South Main Street
Salt Lake City, Utah 84144

Alexander & Green

Interstate Commerce Commission

-2-

March 27, 1986

I understand that you will return the enclosed executed original Security Agreement to me stamped to indicate filing with the Interstate Commerce Commission.

Please let me know if you have any questions regarding this matter.

Sincerely,

Kathryn L. Carson

Kathryn L. Carson

KLC:ds
Enclosures

cc: Carl J. Bachmann, Jr., Esq.
Emery Marton, Esq.
Brent M. Stevenson, Esq.
Robert L. Stokes, Esq.

MAR 28 1986 -9 55 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

14928

MAR 28 1986 -9 55 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of the 26th day of March, 1986, among HUNTSMAN CHEMICAL CORPORATION, a Utah corporation ("Huntsman"), and AMERICAN HOECHST CORPORATION, a Delaware corporation ("AHC") and HOECHST CAPITAL CORPORATION, a Delaware corporation ("Hoechst Capital").

WHEREAS, contemporaneously herewith Huntsman and AHC are entering into an Asset Purchase and Sale Agreement dated as of even date herewith pursuant to which Huntsman shall acquire the Polystyrene Business, the related Polystyrene Assets, the Monomer Sales and Marketing Business and the related Monomer Assets of AHC, all as defined therein, (the "Asset Purchase and Sale Agreement") for a purchase price, a portion of which is being deferred and evidenced by promissory notes of Huntsman being issued pursuant to Sections 2.03, 2.04, 2.05, and 3.03 of such Asset Purchase and Sale Agreement; and

WHEREAS, Hoechst Capital Corporation is contemporaneously herewith entering into a Guarantee Agreement with The Chase Manhattan Bank (National Association), as agent for certain banks pursuant to which Hoechst Capital will guarantee certain loans to be made to Huntsman aggregating not in excess of \$30,000,000 in principal amount to be made pursuant to a certain loan agreement of even date herewith by and between Huntsman and such banks (the "Hoechst Guaranteed Loan Agreement") and will secure such guarantee by a collateral account (the "Hoechst Guarantee"); and

WHEREAS, Huntsman, AHC, and Hoechst Capital are contemporaneously herewith entering into a certain Credit and Reimbursement Agreement dated as of even date herewith setting forth, among other things, the terms and conditions applicable to the Notes as hereinafter defined and the obligation of Huntsman to pay Hoechst Capital a guarantee fee and to reimburse Hoechst Capital for any payments made by Hoechst Capital under the Hoechst Guarantee and for any amounts withdrawn from such collateral account and applied to Huntsman indebtedness under the Hoechst Guaranteed Loan Agreement (the "Credit and Reimbursement Agreement");

NOW, THEREFORE, to induce AHC to enter into the Asset Purchase and Sale Agreement and to induce Hoechst Capital to

enter into the Hoechst Guarantee and to provide such collateral account, and to induce both AHC and Hoechst Capital to enter into the Credit and Reimbursement Agreement, and for other good and valuable consideration, Huntsman has agreed to pledge and grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as hereinafter defined) of Huntsman, as follows:

Section 1. Definitions. Except as the context shall otherwise require terms defined in the Credit and Reimbursement Agreement are used herein as defined therein. In addition, as used herein:

"Accounts" shall have the meaning ascribed thereto in Section 3(d).

"Collateral" shall have the meaning ascribed thereto in Section 3.03.

"Documents" shall have the meaning ascribed thereto in Section 3(i).

"Equipment" shall have the meaning ascribed thereto in Section 3(g).

"HCC Ltd." shall mean Huntsman Chemical Company Limited, an English corporation.

"Instruments" shall have the meaning ascribed thereto in Section 3(e).

"Inventory Products" shall have the meaning ascribed thereto in Section 3(f).

"Notes" shall mean the promissory notes of Huntsman issued pursuant to Sections 2.03, 2.04, 2.05 and 3.03 of the Asset Purchase and Sale Agreement, including the Polystyrene Note issued pursuant to such Section 2.03.

"Plants" shall mean the following facilities: (i) the styrene monomer facility located in Bayport, Texas and operated by AHC pursuant to the Monomer Plant Tolling and Option Agreement, and (ii) the polystyrene and expandable polystyrene facilities owned and operated by Huntsman and located in Belpre, Ohio, Chesapeake, Virginia, and Peru, Illinois.

"Polystyrene Note" shall mean the promissory note of Huntsman in the original principal amount of \$45,000,000 (subject to adjustment upwards or downwards by \$5,000,000) issued pursuant to Section 2.03 of the Asset Purchase and Sale Agreement.

"Polystyrene Technology" shall mean all technology conveyed to Huntsman pursuant to the Polystyrene Technology Agreement dated as of even date herewith between Huntsman and AHC, which shall include without limitation, all of Huntsman's interest in the patents, patent applications, licenses and other agreements identified on Exhibit A hereto.

"Pledged Stock" shall have the meaning ascribed thereto in Section 3(a).

"Secured Obligations" shall mean, collectively, (i) the principal of and interest on the Notes, (ii) the obligation of Huntsman to reimburse Hoechst Capital pursuant to Section 2.03 of the Credit and Reimbursement Agreement, and (iii) the obligation of Huntsman to pay or reimburse AHC or Hoechst Capital for any other amounts under the Credit and Reimbursement Agreement.

"Stock Collateral" shall have the meaning ascribed thereto in Section 3(c).

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

Section 2. Representations and Warranties. Huntsman represents and warrants to AHC and Hoechst Capital that (i) the Pledged Stock is duly authorized, validly issued, fully paid and nonassessable, (ii) Huntsman is, and so long as any of the Secured Obligations remain outstanding Huntsman will at all times be, the sole beneficial owner of the Collateral securing such Secured Obligations, (iii) the Pledged Stock constitutes all of the issued and outstanding shares of capital stock of any class of HCC Ltd., and Huntsman Polymers Inc., except that one share of the issued and outstanding shares of capital stock of HCC Ltd. is owned by J.M. Huntsman, and (iv) the Pledged Stock outstanding on the date hereof consists of 549,999 shares of ordinary stock of HCC Ltd., par value £1 evidenced by certificate nos. 2 and 3, and 2,000 shares of the common stock of Huntsman Polymers, Inc., par value \$1 evidenced by certificate no. 3.

Section 3.01. General Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations other than the principal of or interest on the Polystyrene Note, Huntsman hereby pledges and grants to AHC and Hoechst Capital and each of them a security interest in all of its right, title and interest in the following property, whether now owned by Huntsman or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as the "General Collateral"):

(a) all shares of capital stock of whatever class of HCC Ltd., and Huntsman Polymers, Inc., together with in each case the certificates evidencing the same, accompanied by undated stock powers duly executed in blank (collectively, the "Pledged Stock");

(b) all shares, securities, moneys or property representing a dividend on any of the Pledged Stock or representing a distribution or return of capital upon or in respect of the Pledged Stock, or resulting from a split-up, revision, reclassification or other like change of the Pledged Stock or otherwise received in exchange therefor, and any subscription warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Stock;

(c) without affecting the obligations of Huntsman under any provision prohibiting such action under the Credit and Reimbursement Agreement, in the event of any consolidation or merger in which HCC Ltd or Huntsman Polymers, Inc. is not the surviving corporation, all shares of each class of the capital stock of the successor corporation formed by or resulting from such consolidation or merger (the Pledged Stock, together with all other certificates, shares, securities, properties or moneys as may from time to time be pledged hereunder pursuant to clause (a) or (b) above and this clause (c) being herein collectively called the "Stock Collateral");

(d) all accounts and general intangibles (each as defined in the Uniform Commercial Code) of Huntsman constituting any right to the payment of money, including (but not limited to) all moneys due and to become due to Huntsman in respect of any loans or advances or for Inventory Products or Equipment or other Inventory Products sold or leased or for services rendered, all moneys due and to become due to Huntsman under any guarantee (including a

letter of credit) of the purchase price of Inventory Products or Equipment sold by Huntsman, all receivables and all tax refunds (such accounts, general intangibles and moneys due and to become due being herein collectively called "Accounts");

(e) all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances (herein collectively called "Instruments");

(f) all inventory (as defined in the Uniform Commercial Code) of Huntsman, including all goods obtained by Huntsman in exchange for such inventory, and any products made or processed from such inventory including all substances, if any, commingled therewith or added thereto (herein collectively called "Inventory Products");

*Released
m-A*
(g) all equipment (as defined in the Uniform Commercial Code) of Huntsman which may now or hereafter exist, including all motor vehicles, trucks and trailers and the railcars identified on Exhibit B hereto (herein collectively called "Equipment");

(h) each contract and other agreement relating to the sale or other disposition of Inventory Products or Equipment;

(i) all documents of title (as defined in the Uniform Commercial Code) or other receipts covering, evidencing or representing Inventory Products or Equipment (herein collectively called "Documents");

(j) all rights, claims and benefits of Huntsman against any person arising out of, relating to or in connection with Inventory Products or Equipment purchased by Huntsman, including, without limitation, any such rights, claims or benefits against any person storing or transporting such Inventory Products or Equipment; and

(k) all proceeds, products and accessions of and to any of the property described in clauses (a) through (j) above in this Section 3.01 (including, without limitation, any proceeds of insurance thereon) and, to the extent

related to any property described in said clauses or above in this clause (1), all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of Huntsman or any computer bureau or service company from time to time acting for Huntsman.

Notwithstanding the preceding provisions of this Section 3.01, the General Collateral shall not include any of the Polystyrene Note Collateral as defined in Section 3.02 hereof.

Section 3.02 Polystyrene Note Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Polystyrene Note, Huntsman hereby pledges and grants to AHC a security interest in all of its right, title and interest in the following property, (all being collectively referred to herein as the "Polystyrene Note Collateral"):

(a) All equipment (as defined in the Uniform Commercial Code) of Huntsman purchased by Huntsman from AHC under the Asset Purchase and Sale Agreement, including the Peru Vehicles and the Chesapeake Vehicles and all equipment constituting a part of the Polystyrene Plants as defined therein and all equipment hereafter acquired by Huntsman for use at the Polystyrene Plants as defined therein;

(b) The "Polystyrene Technology";

(c) The "Polystyrene Product Names" as defined in the Asset and Purchase Sale Agreement;

(d) All proceeds, products and accessions of and to any of the property described in clauses (a), (b) and (c) above in this Section 3.02 (including, without limitation, any proceeds of insurance thereon).

Section 3.03 Collateral. The term "Collateral" as used herein shall include both the General Collateral and the Polystyrene Note Collateral.

Section 4. Further Assurances; Remedies. In furtherance of the grant of security in Section 3 hereof, Huntsman hereby agrees with AHC and Hoechst Capital as follows:

4.01. Delivery and Other Perfection. Huntsman shall:

(i) If any of the above-described shares or securities required to be pledged under clauses (a), (b) and (c) of Section 3.01 hereof are received by Huntsman, Huntsman agrees forthwith either (x) to transfer and deliver to AHC such shares or securities so received by Huntsman (together with the certificates for any such shares and securities duly endorsed in blank or accompanied by undated stock powers duly executed in blank) all of which thereafter shall be held by AHC, pursuant to the terms of this Agreement, as part of the General Collateral or (y) to take such other action as AHC shall deem necessary or appropriate to duly record the security interest created hereunder in such shares or securities or in any of the moneys or property referred to in said clauses (a), (b) or (c);

(ii) deliver and pledge to AHC any and all Instruments, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as AHC or any such person may request; provided, that so long as no Event of Default shall have occurred and be continuing, Huntsman may retain for collection in the ordinary course any Instruments received by it in the ordinary course of business and AHC or any such person shall, promptly upon request of Huntsman, make appropriate arrangements for making any other Instrument pledged by Huntsman available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by AHC, against trust receipt or like document);

(iii) give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the judgment of AHC) to create, preserve, perfect or validate any security interest granted pursuant hereto or to enable AHC to exercise and enforce its rights hereunder with respect to such security interest, provided that notices to account debtors in respect of any Accounts or Instruments shall be subject to the provisions of clause (vii) below;

(iv) upon the acquisition after the date hereof by Huntsman of any Equipment covered by a certificate of title, Huntsman will cause AHC to be listed as the

lienholder on such certificate of title and within 120 days of the acquisition thereof deliver evidence of the same to AHC;

(v) keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as AHC may reasonably require in order to reflect the security interests granted by this Agreement;

(vi) permit representatives of AHC at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of AHC to be present at Huntsman's place of business to receive copies of all communications and remittances relating to the Collateral, all in such manner as AHC may require; and

(vii) upon the occurrence and during the continuance of any Event of Default, upon request of AHC, promptly notify (and Huntsman hereby authorizes AHC so to notify) each account debtor in respect of any Accounts or Instruments that such Collateral has been assigned to AHC hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to AHC.

4.02. Preservation of Rights. AHC shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

4.03. Stock Collateral.

(1) Huntsman will cause the Stock Collateral to constitute at all times 100% of the total number of shares of each class of capital stock of HCC Ltd. and Huntsman Polymers, Inc. then outstanding (including treasury shares but excluding one share of the capital stock of HCC Ltd. owned by J.M. Huntsman).

(2) So long as no Event of Default shall have occurred and be continuing, Huntsman shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Stock Collateral for all purposes not inconsistent with the terms of this Agreement or the Credit and Reimbursement Agreement, the Notes, or any other instrument or agreement referred to herein or therein, provided that Huntsman agrees that it will not vote the Stock Collateral in any manner that is inconsistent with the terms of this Agreement, the

Credit and Reimbursement Agreement, the Notes, or any such other instrument or agreement; and, subject to the provisions of Section 5.08 hereof and any prior rights of The Chase Manhattan Bank, National Association in the Stock Collateral, AHC shall execute and deliver to Huntsman or cause to be executed and delivered to Huntsman all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as Huntsman may reasonably request for the purpose of enabling Huntsman to exercise the rights and powers which it is entitled to exercise pursuant to this Section 4.04.

(3) Unless and until an Event of Default has occurred and is continuing, Huntsman shall be entitled to receive and retain any dividends on the Stock Collateral paid in cash out of earned surplus.

(4) If any Event of Default shall have occurred, then so long as such Event of Default shall continue, and whether or not AHC exercises any available right to declare any of the Secured Obligations due and payable or seek or pursue any other relief or remedy available to AHC under applicable law or under this Agreement, the Credit and Reimbursement Agreement, the Notes, or any other agreement relating to such Secured Obligations, all dividends and other distributions on the Stock Collateral shall be paid directly to AHC and applied to the Secured Obligations other than the Polystyrene Note, and, if AHC shall so request in writing, Huntsman agrees to execute and deliver to AHC appropriate additional dividend, distribution and other orders and documents to that end.

4.04. Events of Default, etc. During the period an Event of Default shall have occurred and be continuing:

(i) Huntsman shall, at the request of AHC, assemble the Collateral at such place or places, reasonably convenient to both AHC and Huntsman, designated in its request;

(ii) AHC may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(iii) AHC shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted);

(iv) AHC in its discretion may, in its name or in the name of Huntsman or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and

(v) AHC may, upon 10 Business Days' prior written notice to Huntsman of the time and place, with respect to the Collateral owned by it or any part thereof which shall then be or shall thereafter come into the possession, custody or control of AHC or any of its agents, sell, lease, assign or otherwise dispose of all or any of such Collateral, at such place or places as AHC deems best, and for cash or on credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place thereof (except such notice as is required above or by applicable statute and cannot be waived) and AHC or Hoechst Capital or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale), and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any equity of redemption, of Huntsman, any such demand, notice or right and equity being hereby expressly waived and released. The proceeds of each collection, sale or other disposition under this Section 4.04 shall be applied in accordance with Section 4.08.

4.05. Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations secured by such Collateral, Huntsman shall remain liable for any deficiency.

4.06. Removals, etc. Without 15 days prior written notice to AHC, Huntsman shall not maintain any of its books or records with respect to the Accounts at any office or maintain its chief executive office or its principal place of business at any place, or permit any Inventory Products or Equipment to be located anywhere, other than at the address indicated beneath its signature to the Credit and Reimbursement Agreement or at one of the Plants or in transit from one of the Plants to another or at one or more warehouses or terminals wherever located in the ordinary course of business.

4.07. Private Sale. AHC and Hoechst Capital shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale conducted in a commercially reasonable manner. Huntsman hereby waives any claims against AHC and/or Hoechst Capital arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations secured by such Collateral, even if AHC or Hoechst Capital accepts the first offer received and does not offer the Collateral to more than one offeree.

4.08. Application of Proceeds.

(a) General Collateral. Except as otherwise herein expressly provided, the proceeds of any collection, sale or other realization of all or any part of the General Collateral, and any other cash at the time held by AHC under this Section 4, shall be applied by AHC:

First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable compensation to AHC and its agents and counsel, and all expenses and advances made or incurred by AHC in connection therewith;

Next, to the payment in full of all amounts owing to Hoechst Capital under the Credit and Reimbursement Agreement;

Next, to the payment in full of the principal of and interest on the Notes (other than the Polystyrene Note) and all other amounts owing to AHC by Huntsman under the Credit and Reimbursement Agreement; and

Finally, to the payment to Huntsman, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

(b) Polystyrene Note Collateral. The proceeds of any collection, sale or other realization of all or any part of the Polystyrene Note Collateral and any other cash at any time held by AHC under this Section 4 representing proceeds from the Polystyrene Note Collateral, shall be applied by AHC:

First: to the payment of the costs and expenses of such collection, sale or other realization, including reasonable compensation to AHC and its agents and counsel, and all expenses and advances made or incurred by AHC in connection therewith;

Next: to the payment in full of the principal of and any accrued interest on the Polystyrene Note; and

Finally: to the payment to Huntsman or its successors or assigns, or as a court of competent jurisdiction may direct of any surplus then remaining.

As used in this Section 4, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of Huntsman or any issuer of or obligor on any of the Collateral.

4.09. No Waiver. No failure on the part of AHC or Hoechst Capital or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by AHC or Hoechst Capital or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

4.10. Termination. When all Secured Obligations shall have been paid in full, this Agreement shall terminate. When the Secured Obligations other than the Polystyrene Note shall have been paid in full, AHC shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, and shall release its security interest hereunder in any remaining General Collateral and money received in respect thereof, to or on the order of Huntsman, and when the Polystyrene Note shall have been paid in full, AHC shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, and shall release its security interest hereunder in any remaining Polystyrene Note Collateral, and money received in respect thereof, to or on the order of Huntsman.

4.11. Expenses. Huntsman agrees to pay to AHC all out-of-pocket expenses (including reasonable expenses for legal services of every kind) of, or incident to, the enforcement of any of the provisions of this Section 4, or performance by AHC of any obligations of Huntsman in respect of the Collateral which Huntsman has failed or refused to perform, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of AHC in respect thereof, by litigation or otherwise, including expenses of insurance, and all such expenses shall be Secured Obligations to AHC secured under Section 2 hereof.

4.12. Further Assurances. Huntsman agrees that, from time to time upon the written request of AHC, Huntsman will execute and deliver such further documents and do such other acts and things as AHC may reasonably request in order fully to effect the purposes of this Agreement.

Section 5. Miscellaneous.

5.01. Initial Financing Statements. Prior to or concurrently with the execution and delivery of this Agreement, Huntsman shall file such financing statements and other documents in such offices, cause AHC and Hoechst Capital to be listed as the lienholder on all certificates of title relating to vehicles owned by Huntsman and give notice to such persons, as AHC or Hoechst Capital may request to perfect the security interests granted by Section 2 of this Agreement.

5.02. Taxes. Huntsman agrees to pay before delinquency any tax or other governmental charge which is or can become through assessment, distraint or otherwise a Lien on the Collateral and to pay any tax or other governmental charge which may be levied on the transactions hereunder.

5.03. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, provided that as to Collateral located in any jurisdiction other than New York, AHC shall have all the rights to which a secured party under the laws of such jurisdiction is entitled.

5.04. Notices. All notices, requests, consents and demands hereunder shall be in writing and telexed, telecopied, telegraphed, cabled or delivered to the intended recipient at

its address or telex number specified pursuant to Section 6.02 of the Credit and Reimbursement Agreement and shall be deemed to have been given at the times specified in said Section 6.02.

5.05. Waivers, etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by Huntsman, AHC and Hoechst Capital. Any such amendment or waiver shall be binding upon Huntsman, AHC, Hoechst Capital, each subsequent holder of any Secured Obligation, and each other party to this Agreement.

5.06. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Huntsman, AHC, and Hoechst Capital and each subsequent holder of the Secured Obligations (provided, however, that Huntsman shall not assign or transfer its rights hereunder without the prior written consent of AHC).

5.07. Counterparts. This Agreement may be executed in one or more counterparts and all of such counterparts taken together shall constitute one and the same instrument.

5.08. Subordination of Security Interest. Notwithstanding anything herein contained to the contrary, the security interest hereby granted in the General Collateral and all rights conferred on AHC and Hoechst Capital hereunder are subject and subordinate to any security interest in the General Collateral granted by Huntsman to The Chase Manhattan Bank, National Association, acting as agent for certain banks, pursuant to a security agreement dated as of even date herewith, and to the rights granted The Chase Manhattan Bank, National Association thereunder. AHC and Hoechst Capital agree to execute and deliver such documents and take such other action as Huntsman may from time to time reasonably request evidencing such subordination.

5.09 Stock Collateral, Etc. Huntsman acknowledges that both The Chase Manhattan Bank, National Association, as contemplated by Section 5.08 hereof, and AHC and Hoechst Capital may have a security interest at the same time in the Stock Collateral and in other General Collateral where possession is required for perfection of such security interest; and that The Chase Manhattan Bank, National Association in holding and possessing the Stock Collateral may also act as agent for AHC and Hoechst Capital, as well as for the banks referred to in such Section 5.08, and may transfer and deliver the Stock Collateral and any such other General Collateral to AHC and Hoechst Capital subject to the terms of

this Agreement, upon the satisfaction of the obligations to such banks secured by the Stock Collateral and such other General Collateral without further authorization or direction from Huntsman.

5.10. Sales in Ordinary Course. The security interest of AHC and Hoechst Capital hereunder shall be released automatically with respect to any and all General Collateral sold by Huntsman in the ordinary course of business and in any Polystyrene Note Collateral sold by Huntsman pursuant to Section 4.03 of the Credit and Reimbursement Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed as of the day and year first above written.

HUNTSMAN CHEMICAL CORPORATION

By T. D. Paul
Title: VICE PRESIDENT

AMERICAN HOECHST CORPORATION



By W. P. Treasurer
Title: V. P. Treasurer

HOECHST CAPITAL CORPORATION

By W. P. Treasurer
Title: Asst. Treas.

ASSIGNMENT

Exhibit A

<u>U.S. Patent</u>	<u>Title</u>
3,412,185	Method for Expanding Discreet Articles of Foamable Polymeric Material
3,505,253	Expandable Alkenyl Aromatic Polymers Containing Incorporated Expandable Alkenyl Aromatic Polymers and Polysiloxane
3,511,191	Pallets
3,531,548	Two-step Polymerization Processes for the Production of High Impact ABS-Type Resins
3,551,523	Polymerization Process for Preparing High Impact Polymers
3,553,112	Expandable Alkenyl Aromatic Polymers Containing Incorporated Expandable Alkenyl Aromatics Polymers
3,558,534	Molding Expandable Alkenyl Aromatic Polymer Beads
3,573,152	Thermoplastic Elongated Cellular Products
3,632,288	Process for Dyeing Styrene Polymers
3,635,852	Process of making a General Purpose Expandable Alkenyl Aromatic Polymer Containing Di-Alkyl Polysiloxane Internally
3,657,162	Process of Making Expandable Polymeric Styrene Particles
3,850,860	Process for Dyeing Expandable Thermoplastic Polymers
3,879,321	Impact Polystyrene Compositions
3,963,816	Process for Molding Expandable Thermoplastic Material

4,008,605	Impact Test Method
4,024,092	Polymer Compositions containing Stilbene Halide Additives
4,032,609	Method for Pre-expanding and Molding Expandable Thermoplastic Polymer Particles
4,046,839	Compositions having Impact at Low Rubber Levels
4,060,354	Apparatus for Pre-Expanding and Molding Expandable Thermoplastic Polymer Particles
4,064,116	ABS Polymer and Process for its Preparation
4,073,843	Process of Partially Expanding Thermoplastic Particles using a Mixture of Steam and a Hot Dry Gas
4,271,281	Process for preparing Styrenic Polymer Particles
4,286,069	Method of Making Expandable Styrene-Type Beads
4,361,656	Method of Making Expandable Styrene-Type Beads

U.S. Patent Appln.
Serial No.

Title

674,707
filed 11/16/84

Graft Polybutadiene Styrene Interpolymers and Process for Making Same

393,220
filed 6/28/82

A Method of Making a Styrene-Type Polymer Composition Comprising a Suspension Polymerization Step

2/18/86

Exhibit 2.10 (k)

APPENDIX A

Polystyrene Technology

License Agreements
(AHC - Grantee)

1. Arco Polymers Inc. - December 7, 1977; U.S. No. 4,007,319 - Monitoring Suspension Stability.
2. M. Klein - September 24, 1976; Separation Technology Know How License (Non Assertion of U.S. Patent No. 4,178,246.
3. ATO CHIMIE SA (Sterling) - CHIPS License Continuous High Impact Polymerization Process.
 - 3a. Original Agreement - Dated - July 3, 1974
 - 3b. First Modification - Dated - April 24, 1978
 - 3c. Second Modification - Dated - July 29, 1981
 - 3d. Third Modification - Dated - June 7, 1982
4. Fisher Controls International Inc. - July 15, 1982 Pro Vox Instrumentation Software License.
5. Hoechst - Holland - November 9, 1972 High Impact License Agreement.
6. Hoechst - Holland - January 25, 1985 Cooperative Agreement (terminated)
7. Termination Agreement - dated ~~January~~ ^{December} 9, 1985
(terminating Cooperative Agreement of January 25, 1985)

2/18/86

Exhibit 2.10 (k)

APPENDIX BPolystyrene Technology Patents - U.S.

<u>Patent</u>	<u>Title</u>	<u>Docket</u>
3,412,185	Method for Expanding Discreet Articles of Foamable Polymeric Material	193
3,505,253	Expandable Alkenyl Aromatic Polymers Containing Incorporated Expandable Alkenyl Aromatic Polymers and Polysiloxane	297
3,511,191	Pallets	280
3,531,548	Two-step Polymerization Processes for the Production of High Impact ABS-Type Resins	202
3,551,523	Polymerization Process for Preparing High Impact Polymers	233
3,553,112	Expandable Alkenyl Aromatic Polymers Containing Incorporated Expandable Alkenyl Aromatics Polymers	258
3,558,534	Molding Expandable Alkenyl Aromatic Polymer Beads	298
3,573,152	Thermoplastic Elongated Cellular Products	306
3,632,288	Process for Dyeing Styrene Polymers	290
3,635,852	Process of making a General Purpose Expandable Alkenyl Aromatic Polymer Containing Di-Alkyl Polysiloxane Internally	317
3,657,162	Process of Making Expandable Polymeric Styrene Particles	286
3,850,860	Process for Dyeing Expandable Thermo-plastic Polymers	388
3,879,321	Impact Polystyrene Compositions	395

2/18/86

Exhibit 2.10 (k)

APPENDIX B

Polystyrene Technology Patents - U.S.

<u>Patent</u>	<u>Title</u>	<u>Docket</u>
3,963,816	Process for Molding Expandable Thermo-plastic Material	353
4,008,605	Impact Test Method	425
4,024,092	Polymer Compositions containing Stilbene Halide Additives	429
4,032,609	Method for Pre-expanding and Molding Expandable Thermoplastic Polymer Particles	416
4,046,839	Compositions having Impact at Low - Rubber Levels	419
4,060,354	Apparatus for Pre-Expanding and Molding Expandable Thermoplastic Polymer Particles	417
4,064,116	ABS Polymer and Process for its Preparation	414
4,073,843	Process of Partially Expanding Thermoplastic Particles using a Mixture of Steam and a Hot Dry Gas	410
4,271,281	Process for preparing Styrenic Polymer Particles	454
4,286,069	Method of Making Expandable Styrene-Type Beads	460
4,361,656	Method of Making Exandable Styrene-Type Beads	469

2/18/86

Exhibit 2.10 (k)

APPENDIX B

Polystyrene Technology - Foreign Patents

<u>Patent</u>	<u>Country</u>	<u>Title</u>	<u>Docket</u>
846,236	Canada	Polymerization Process	208
856,314	Canada	Self-Extinguishing Alkenyl Aromatic Polymer Compositions	254
845,226	Canada	Improved Molding Expandable Alkenyl Aromatic Polymer Beads	255
852,780	Canada	General Purpose Expandable Alkenyl Aromatic Polymer containing Di-Alkyl Polysiloxane Internally	256
849,591	Canada	Improved Expandable Alkenyl Aromatic Polymers Containing Incorporated Expandable Alkenyl Aromatic Polymers and Polysiloxane	257
845,227	Canada	Improved Expandable Alkenyl Aromatic Polymers Containing Incorporated Expandable Alkenyl Aromatic Polymers	258
897,074	Canada	Pallets	280
930,982	Canada	Polymerization of ABS Resins in the Presence of Unsaturated Alpa- Methylstyrene Dimers	281
917,358	Canada	Process for Dyeing Styrene Polymers	290
956,723	Canada	Method & Apparatus for Determining Progress of a Chemical Reaction Occuring within Beads in a Liquid Suspension	341
977,491	Canada	Improved ABS Polymer & Process for its Preparation	348
997,519	Canada	Process for Molding Expandable Thermoplastic Material	353
974,684	Canada	Method of Preventing Build-up in a Polymerization Reactor	354

2/18/86

Exhibit 2.10 (k)

APPENDIX B

Polystyrene Technology - Foreign Patents

<u>Patent</u>	<u>Country</u>	<u>Title</u>	<u>Docket</u>
974,683	Canada	Method of Preventing Build-up in a Polymerization Reactor	356
1,026,038	Canada	Compositions Having High Impact at Low Rubber Levels	389
1,080,900	Canada	Polymer Compositions	429
38,253	Japan	Polymer Compositions	429
1,156,399	Canada	Process for Preparing Styrenic Polymer Particles	454
541,590	Australia	Method of Making Expandable Styrene-Type Beads	460
172,675/81	Japan	Method of Making Expandable Styrene-Type Beads	460
1,154,200	Canada	Method of Making Expandable Styrene-Type Beads	460
119,100	Canada	Method of Making Expandable Styrene-Type Polymer Beads	469
72,186	EPO Germany Netherlands France	Method of Making Expandable Styrene-Type Polymer Beads	469
135,627/82	Japan	Method of Making Expandable Styrene-Type Polymer Beads	469
<u>Pending</u>			
59,968	EPO	Method of Making Expandable Styrene-Type Beads	460L
80,707/81	Japan	Process for Preparing Styrenic Polymer Particles	454

2/18/86

Exhibit 2.10 (k)

APPENDIX B

Polystyrene Technology Patents - U.S.

U.S. Pending Patent Applications

<u>File No.</u>	<u>Serial No.</u>	<u>Filed</u>	<u>Title</u>
D-471	393,220	6/28/82	A Method of Making a Styrene-Type Polymer Composition Comprising a Suspension Polymerization Step
	674,707	11/16/84	Graft Polybutadiene Styrene Interpolymers and Process for Making Same

2/18/86

Exhibit 2.10 (k)

APPENDIX C

Polystyrene Technology Agreements
(AHC - Grantor)

1. Custom Scientific Instruments, Inc. (amended) - May 5, 1975 - Kravitz Impact Tester.
2. Esterino Do Nordeste S.A. - Nov. 7, 1974 - Agreement For Purchase and Sale of Technical Information.
3. Instron Corporation - July 25, 1972 - Know-How License for an Instron Tester.
4. Kohler General Inc. (amended) - July 1, 1975 - Smith Expander Agreement.
5. Polymeerfabrieken Breda N.V. - March 15, 1966 - N.V. - Foster Grant License Agreement (amended by Agreement of August 1, 1968).
6. Polymeerfabrieken, Breda, N.V. - February 15, 1967 Engineering Agreement (cancelled).
7. Hoechst - Holland - January 25, 1985 Cooperative Agreement
8. Termination Agreement - Dated ^{December} ~~January~~ 9, 1985
(terminating Cooperative Agreement of January 25, 1985)

EXHIBIT B
to AHC
Security Agreement

HUNTSMAN CHEMICAL CORPORATION RAILCARS

CAR MARK AND NUMBERS

JHPX	5204
JHPX	5205
JHPX	5207
JHPX	5209
JHPX	5210
JHPX	5212
JHPX	5215
JHPX	5216
JHPX	5217
JHPX	5218
JHPX	5219
JHPX	5220
JHPX	5223
JHPX	5224
JHPX	5226
JHPX	5227
JHPX	5228
JHPX	5230
JHPX	5233
JHPX	5234
JHPX	5236
JHPX	5237
JHPX	5238
JHPX	5239
JHPX	5240
JHPX	5244
JHPX	5245
JHPX	5246
JHPX	5247
JHPX	5248
JHPX	5249
JHPX	5250
JHPX	5251
JHPX	5252
JHPX	5253
JHPX	5254
JHPX	5255
JHPX	5256
JHPX	5257
JHPX	5259
JHPX	5260
JHPX	5261
JHPX	5265
JHPX	5266
JHPX	5267
JHPX	5270
JHPX	5272
JHPX	5274
JHPX	5275
JHPX	5278
JHPX	5280
JHPX	5281
JHPX	5282

CAR MARK AND NUMBERS

JHPX	5292
JHPX	5293
JHPX	5295
JHPX	5298
JHPX	5299
JHPX	5300
JHPX	5301
JHPX	5303
JHPX	5305
JHPX	5307
JHPX	5308
JHPX	5310
JHPX	5311
JHPX	5312
JHPX	5313
JHPX	5314
JHPX	5316
JHPX	5317
JHPX	5318
JHPX	5319
JHPX	5320
JHPX	5322
JHPX	5324
JHPX	5326
JHPX	5327
JHPX	5328
JHPX	5329
JHPX	5330
JHPX	5331
JHPX	5333
JHPX	5334
JHPX	5335
JHPX	5337
JHPX	5341
JHPX	5370
JHPX	5371
JHPX	5372
JHPX	5374
JHPX	5376
JHPX	5378
JHPX	5379
JHPX	5380
JHPX	5381
JHPX	5384
JHPX	5385
JHPX	5386
JHPX	5388
JHPX	5391
JHPX	5393
JHPX	5394
JHPX	5395
JHPX	5396
JHPX	5397
JHPX	5398
JHPX	5399
JHPX	5400
JHPX	5401
JHPX	5402